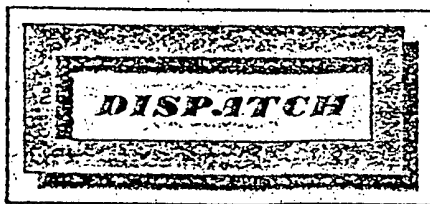


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JONATHAN MARSHALL

The friends of Michael Hand

MICHAEL HAND WAS tough. He could take the heat. Highly decorated for bravery in Vietnam, he boasted, "I'm frightened of nothing. I've killed men from behind a machine gun while under fire and outnumbered." But even Hand had to admit that Vietnam "was nothing compared to the mess I've been left with to clean up this bank." Frank Nugan, his partner at the Nugan Hand bank in Australia, had been found with his bullet-riddled brains splattered all over the inside of his car. Nugan had departed from this world leaving the bank with millions in debts and unrecorded transactions. As Australian commonwealth police, Royal Commission investigators, and agents of the CIA, FBI, and U.S. Customs began sniffing around, ugly rumors began to surface about the bank's ties to prominent politicians, to drug runners and mobsters in Australia and the United States, and even to the CIA. It was time to run. Hand ran.

Built like a linebacker, Michael Hand was a wholesome, all-American boy. He studied forestry at Syracuse University, then worked briefly as a teacher in Los Angeles. In 1965 he went off to fight in Vietnam. He served in the army Special Forces, whose exploits included secret missions for the CIA into North Vietnam, Laos, and Cambodia. It was then, perhaps, that he made the first of a long string of less than savory friendships. In a rough war, Hand's buddies were the roughest of the lot. Hand won the Distinguished Service Cross for rescuing his commanding officer during a savage firefight in the highlands of central Vietnam.

Hand left Vietnam in 1968 to settle in

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Sydney, where he and other American soldiers had so often gone for "rest and recreation." Young and ambitious, he soon teamed up with an equally hungry Australian, Frank Nugan. The son of a Spanish migrant who made good in the food-packing business, Nugan took a law degree at the University of California at Berkeley. His easy, ingratiating manner could "charm the pants off anybody," one of his American business associates recalls. Equally important, he relished the "open combat" of the business world and wouldn't shirk a good fight. The two men were made for each other.

In 1970 Nugan and Hand went into partnership as investment advisers. Most of their clients were current or former American servicemen whom Hand had met in Vietnam or in Sydney bars. Together the pair made a bundle in land and mining speculation during the boom of the early 1970s. Before the boom turned to bust, they took their profits; in 1973, with an eye to international markets, where business was still good, they organized the Nugan Hand merchant bank. From a small beginning, the turnover reportedly skyrocketed.

holders of Ken's vegetable packing firm by illegally manipulating the company's annual meeting in 1977. A Sydney

